

## **REQUEST FOR APPROVAL**

**To:** Carroll Mortensen  
Director

**From:** Howard Levenson  
Deputy Director, Materials Management and Local Assistance Division

**Request Date:** September 18, 2012

**Decision Subject:** Approval of Annual CalRecycle Architectural Paint Stewardship  
Administrative Fees, October 1, 2010 – June 30, 2011 and July 1, 2011 –  
June 30, 2012

**Action By:** September 18, 2012

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### **Summary of Request:**

Staff requests approval of the Annual CalRecycle Architectural Paint Stewardship Administrative Fees for the periods of October 1, 2010 – June 30, 2011 and July 1, 2011 – June 30, 2012, respectively, as directed by the architectural paint stewardship law (Chapter 5, Statutes of 2010 [Huffman, AB 1343], Public Resources Code §§ 48700 - 48706) and § 18958 of Title 14 of the California Code of Regulations.

### **Recommendation:**

Staff recommends approval of the Annual CalRecycle Architectural Paint Stewardship Administrative Fees as meeting the statutory and regulatory requirements of AB 1343.

### **Action:**

On the basis of the information, analysis, and findings in this Request for Approval, I hereby approve the Annual CalRecycle Architectural Paint Stewardship Administrative Fees of \$159,955.46 for the period of October 1, 2010 – June 30, 2011 and \$212,076.97 for the period of July 1, 2011 – June 30, 2012.

### **Dated:**

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**Carroll Mortensen, Director**

### **Attachments:**

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## **Background Information:**

Assembly Bill 1343 (Chapter 5, Statutes of 2010) established the first permanent, mandatory, industry-led architectural paint stewardship program in the country. Pursuant to AB 1343, the Department has responsibilities to approve or disapprove architectural paint stewardship plans submitted by architectural paint manufacturers or their designated stewardship organization; review annual reports and adopt a finding of compliance or non-compliance; and provide oversight and enforcement to ensure a level playing field among architectural paint manufacturers. Additionally, architectural paint manufacturers and/or stewardship organization(s) must pay CalRecycle an administrative fee to cover the Department's costs of its services related to oversight and enforcement.

Public Resource Code § 18958 (a) states that the Department director, or his/her delegated authority, shall approve the annual administrative fee described in AB 1343 for the full administration and enforcement costs at a public meeting that will occur no later than September 30, commencing in 2012. The fee shall reflect the Department's actual costs to administer and enforce this chapter for the period from July 1 of the prior year through June 30 of the current year. The Department's costs shall include the cost of staff, overhead expenses applicable to staff, contract services, and any other expenses incurred in administering or enforcing the program and in developing this regulation and the program. For payments due in 2012, the fee shall also reflect the Department's actual costs incurred in developing the regulations and the program for the period from October 1, 2010 through June 30, 2011.

## **Analysis:**

### Administrative Fee Totals, by Fiscal Year

October 1, 2010 – June 30, 2011: \$159,955.46

July 1, 2011 – June 30, 2012: \$212,076.97

### Summary of CalRecycle Activities

CalRecycle tracked the hours each staff person spent on activities related to the implementation of the Department's responsibilities per AB 1343. These activities include:

- Development of the necessary regulations and administrative procedures to effectively implement the Department's responsibilities;
- Communication with stakeholders via public meetings, conferences, webinars, phone and e-mail inquiries, etc.;
- PaintCare plan review and preparation for approval in July 2012; and
- Administration (e.g., tracking and documentation of staff hours).

CalRecycle costs are comprised of various percentages of various staff time from the Department's Legal, Information Technology, Audits, Enforcement, Accounting, and Materials Management and Local Assistance programs. CalRecycle staff have reviewed the proposed administrative fees per the requirements found in statute and regulation, and found that they conform to those requirements. Staff therefore recommends approval of the administrative fees summarized above.